

HOUSE BILL 705
By Cooper B

AN ACT to amend Tennessee Code Annotated, Title 47, Chapter 18
and Title 55, relative to the sale of pre-owned motor
vehicles.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 47, Chapter 18, is amended by adding
sections 2 through 6 of this act as a new part thereto.

SECTION 2. For the purposes of this act, unless the context otherwise provides:

(1) "Motor vehicle" means every vehicle that is self-propelled, excluding
motorized bicycles and every vehicle which is not propelled by electric power obtained
from overhead trolley wires. "Motor vehicle" does not include any mobile home or house
trailer as defined in § 55-1-105;

(2) "Purchaser" means any individual who buys a motor vehicle from a seller; and

(3) "Seller" means a dealer as defined in § 55-1-114 who sells motor vehicles
that have been previously licensed or registered to another person.

SECTION 3. Every pre-owned motor vehicle sold by an automobile dealer in this state
shall be subject to an express warranty. Such express warranty applicable to the vehicle shall
provide the following:

(1) The windshield is not cracked nor damaged;

(2) All headlights, taillights, turn signals, and windshield wipers function properly;

(3) The horn functions properly;

(4) If emissions testing is required in the county in which the motor vehicle is
sold, that the motor vehicle will pass such emissions testing;

(5) If a vehicle inspection is required in the county where the motor vehicle is
sold, that the motor vehicle will pass such inspection; and

(6) The motor vehicle is free from defects that would cost more than one thousand dollars (\$1,000) to repair. Such defects must be discovered within thirty (30) days of the purchase of the motor vehicle. Any defect discovered more than thirty (30) days after the purchase of the vehicle shall not be subject to the provisions of this act.

SECTION 4. Any provision of such express warranty can be waived by the written agreement of the seller and the purchaser of the motor vehicle.

SECTION 5. A purchaser shall have the right to return a motor vehicle purchased from a seller within seven (7) days of the date of purchase for a full refund of the purchase price if the seller does not provide an express warranty pursuant to the provisions of this part to the purchaser or for any violation of this part.

SECTION 6. A copy of the express warranty shall be provided to a purchaser before or contemporaneously with the sale of the motor vehicle.

SECTION 7. Tennessee Code Annotated, Section 55-17-114(a), is amended by adding a new subdivision thereto, as follows:

() The applicant or license holder has failed to provide a purchaser with an express warranty as provided by sections 2 through 6 of this act.

SECTION 8. This act shall take effect January 1, 2006, the public welfare requiring it.